

# EQUALIZATION ELIGIBILITY FORM

In accordance with Ordinance No. 15-00, any Detroit based firm shall be deemed a better bid than the bid of any competing firm which is not Detroit-based, whenever the bid of such competing firm shall be equal to or higher than the bid of the Detroit-based firm after the appropriate equalization percentage credit from the Equalization Allowance Table has been applied to the bid of the Detroit-based firm. **NOTE: IT IS THE VENDOR'S RESPONSIBILITY TO COMPLETE THIS FORM, PROVIDE ALL NECESSARY DOCUMENTATION AND RETURN IT WITH YOUR BID. FAILURE TO DO SO MAY RESULT IN EQUALIZATION NOT BEING APPLIED.**

Company Name \_\_\_\_\_ RFQ # \_\_\_\_\_

A vendor qualifies for equalization credit as per section 18-5-2 of the purchasing ordinance as follows:

## Vendor to check all categories which apply\*

- ☐ **Detroit Based Business** (as certified by the City of Detroit Human Rights Department prior to bid due date. Proof of certification must be submitted with each and every bid response.)
- ☐ **Detroit Based Business with Headquarters in Detroit** (as certified by the Human Rights Department prior to bid due date. Proof of certification must be submitted with each and every bid response.)
- ☐ **Detroit Resident Business** (as certified by completion of the affidavit attached to bid documents. The affidavit must be completed and returned with each and every bid for consideration)
- ☐ **Detroit Based Small Business** (as demonstrated by furnishing proof certification by the City of Detroit Human Rights Department. Proof of certification must be submitted with each and every bid for consideration.)
- ☐ **Detroit Based Micro Business Concern** ( as certified by completion of the affidavit attached to bid and proof of certification as a Detroit Based Business. The affidavit and certification must be completed and returned each and every bid for consideration)
- ☐ **Joint Venture OR ☐ Mentor Venture** (You may only select one. One of the parties to the joint or mentor venture must be a certified Detroit Based Business prior to bid due date in order to receive equalization credit as a joint or mentor venture. Proof of certification by the City of Detroit Human Rights Department along with a copy of the Joint or Mentor Venture agreement between the parties involved is required.)

\*The information submitted to substantiate Equalization Eligibility is subject to verification and acceptance by the City. Should it be found that the vendor is not eligible to receive equalization credit it will not be applied. Should it be found that information submitted has been falsified the vendor may be placed in Default by the City for up to a three year period at the discretion of the City of Detroit Finance Department - Purchasing Division.

**TABLE I**

### Equalization Allowance for Detroit-based business and/or Detroit Resident Business

DOLLAR VALUE	DETROIT BASED	DETROIT RESIDENT
Up to \$10,000.00	5%	5%
\$10,000.01 to \$100,000.00	4%	4%
\$100,000.01 to \$500,000.00	3%	3%
\$500,000.01 and over	2%	2%
Detroit Based Business w/Headquarters in Detroit	3%	

**TABLE II**

### \*Equalization allowance for Detroit Based Small Business, Detroit Based Micro Business, Joint Venture, Mentor Venture:

Category	Equalization Percentage
Detroit Based Small Business	1%
Detroit Based Micro Business Concern	2%
Joint Venture	2%
Mentor Venture	1%

**AFFIDAVIT OF ELIGIBILITY FOR EQUALIZATION CREDIT  
(Detroit Resident Business/Detroit Based Micro Business)**

**THIS AFFIDAVIT MUST BE COMPLETED, NOTARIZED AND  
SUBMITTED WITH EACH AND EVERY BID RESPONSE FOR  
CONSIDERATION**

The undersigned hereby swears or affirms that all statements made with respect to eligibility for the provision of goods and/or services on the above named vendor are true and correct to the best of my knowledge. The undersigned further attests that its information provided is valid as of the date of bid submission.

**Instructions:** This affidavit should be filled out by firms eligible to receive equalization credit as any of the following: 1) Detroit Resident Business 2) Detroit Based Micro Business. Initial each section for which the firm is eligible to receive credit and provide any information the applicable section(s) requires. Make sure that the form is filled out completely, notarized, and included with your bid response. **Note:** This is a two-page form. Both pages must be filled out completely.

**\_\_\_\_\_ Detroit Based Micro Business**

**Type of Business:**

☐ Manufacturing      ☐ Retail      ☐ General Construction  
☐ Wholesale      ☐ Service

Number of Employees \_\_\_\_\_

Amount of Annual Gross Receipts \$ \_\_\_\_\_

**\_\_\_\_\_ Detroit Resident Business**

Total number of persons employed by the firm (including all full-time & part-time, owners, officers, managers, and support staff both professional & non-professional is \_\_\_\_\_.

Total number of employees who are residents of the City of Detroit is: \_\_\_\_\_. Percentage of employees who are residents of the City of Detroit is \_\_\_\_\_ %

The undersigned further swears or affirms that the following documents have been presented by all Detroit employees and will be maintained by the DRB vendor for a period of three (3) years upon completion of the contract bid upon. One (1) document from Group A or two (2) documents from Group B are to be submitted upon request by the City:

**Group A:** 1) Michigan Driver's License 2) Michigan I.D. Card 3) Prior Year City of Detroit Resident Income Tax Return

**Group B:** 1) W-4 Forms 2. Voter Registration Card 3) Current utility bill with the employee's name and Detroit street address indicated thereon. 4) Affidavit from neighbor or other disinterested party.

**THIS AFFIDAVIT IS A TWO SIDED FORM  
BOTH SIDES MUST BE COMPLETED IN ORDER  
TO BE CONSIDERED FOR EQUALIZATION  
CREDIT FOR CATEGORIES REFERENCED ON  
THIS FORM**



# **SPECIAL CONDITIONS**

(EFFECTIVE 16-APR-00/REVISED 22-SEP-00/REVISED 31-OCT-03)

1. **Ordinances/Definitions.** Copies of related ordinances, executive orders, and definitions of all terms. "Detroit-Based Business," "Minority" and "Resident" are available upon request by contacting the Office of the City Clerk at Room 200 Coleman A. Young Municipal Center, Detroit, MI 48226, 313.224.3270. Vendors requesting a copy of the Purchasing Ordinance effective 16-AUG-00 should refer to Ordinance #15-00 when requesting additional information.

The following definitions shall apply to the Formal Bid document and all attachments:

**City** - The City of Detroit acting through the Purchasing Director

**CCD** - Contract Compliance Division of the City of Detroit's Finance Department

**Bidder** - The person or entity so named in the Formal Bid Document, or their authorized representative.

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**EFFECTIVE APRIL 16, 2000 REQUIREMENTS FOR RECEIVING EQUALIZATION CREDIT HAVE BEEN REVISED.** Please review the following definitions and requirements for certification carefully.

**\*Detroit-Based Business (DBB)** – means a business which pays City income taxes on the business's net profits and pays City property taxes on 1) a plant or office and equipment which are ordinarily required for the furnishing of the goods or the performance of the services required by the contract and referred to in the application for certification as Detroit-based business or on 2) other real or personal property in the City equivalent in value to such plant or office and equipment, for not less than one (1) taxable year immediately prior to the date of the application for certification. In addition, a Detroit-based business shall satisfy three (3) of the following eight (8) criteria:

1. Provide verification that an existing inventory of the product(s) which the business offers to the City is physically located at a City site.
2. Provide verification of the ability of the business to service/repair product(s) to be sold to the City at a City site.
3. Provide verification that the business has an adequate number of employees based at its City site to perform the services indicated in its application for certification.
4. Headquarters located within the City
5. Provide references, licenses or other means of verifying to the City that the services the firm offers have been provided at a City site for at least one (1) year prior to the date of application.

6. Provide documentation that the majority (51%) of the firms employees working at its City site are Detroit residents.
7. Provide verification that the firm has physical resources and ability to provide the services indicated in its application for certification at a location with the City.
8. 51% of full-time employees including chief officer and managers regularly work and conduct business in the City.

**\*Detroit-Based Small Business** – Any business which meets the definitions of Detroit-based business and small business concern as certified by the City of Detroit Human Rights Department prior to bid due date.

**\*Detroit Based Micro Business Concern (DBMBC)** – Means a business which meets the definitions of Detroit-based business concern and a micro business concern.

**\*Detroit Headquartered Business (DHQ)** – Means a business which meets the definitions of Detroit Based Business Concern and Headquarters.

**\*\*Detroit Resident Business (DRB)** – Means any business which employs a minimum of four (4) employees, at least fifty-one (51%) percent of which are City residents.

**\*Headquarters** – Means the place where the chief executive officer and highest-level managerial employees of a business have their offices and perform their management function.

**\*\*\*Joint Venture** – Means a joint venture of separate firms, one of which is a DBB, DBSB, DRB or DBMBC, which has been created to perform a specific contract, and is evidenced by a written agreement which provides at minimum that the DBB, DBSB, DRB, or DBMBC:

1. Is substantially included in all phases of the contract including, but not limited to, bidding and staffing;
2. Provides at least fifty-one percent (51%) of the total performance, responsibility, and project management of a specific job;
3. Receives at least fifty-one (51%) of the total remuneration from a specific contract; and
4. Shares profits and losses

**\*\*\*Mentor Venture** – Means a joint venture of separate firms, one of which is a DBB, DBSB, DRB or DBMBC, which has been created to perform a specific contract, and is evidenced by a written agreement which provides at minimum that the DBB, DBSB, DRB, or DBMBC:

1. Is substantially included in all phases of the contract, including, but not limited to, bidding and staffing;
2. Provides at least thirty (30%) of the total performance, responsibility, and project management of a specific job;
3. Receives at least thirty percent (30%) of the total remuneration from a specific contract; and
4. Shares in profits and losses

**\*\*Micro Business Concern (MBC) – Means a business, which is one (1) of the following:**

1. A manufacturing business which has no more than fifty (50) employees; or
2. A general construction business which has annual gross receipts of not more than one million seven hundred thousand dollars (\$1,700,000.00); or
3. A specialty construction business which has annual gross receipts of not more than seven hundred thousand dollars (\$700,000.00)
4. A wholesale business which has no more than ten (10) full-time employees; or
5. A retail business which has annual gross receipts of not more than five hundred thousand dollars (\$500,000.00); or
6. A service business, other than professional services, which has annual gross receipts of not more than five hundred thousand dollars (\$500,000.00)

**Note:** A business which is an affiliate or a subsidiary of any entity that is not eligible for certification as a micro business concern **shall not be certified** as a micro business concern.

**\*Small Business Concern (SBC) – Means a business which:**

1. Has been in existence and operating for at least one (1) year prior to the date of application for certification as a small business concern; and
2. Does not meet the definition of a micro business concern, as defined in this division, and
3. Is one (1) of the following:
  - a. A manufacturing business which, for the three (3) fiscal years preceding the date of application for certification has provided full-time employment to not more than five hundred (500) persons; or
  - b. A general construction business which, for the three (3)-fiscal years preceding the date of application for certification, has average annual gross receipts of not more than seventeen million dollars (\$17,000,00.); or
  - c. A specialty construction business whose average annual gross receipts have not exceeded seven million dollars (\$7,000,000.00) in the three (3) fiscal years preceding the date of application for certification; or

- d. A wholesale business which, for three (3) fiscal years preceding the date of application for certification, has provided full-time employment to not more than one hundred (100) persons; or
- e. A retail business which, for the three (3) fiscal years preceding the date of application for certification, has average annual gross receipts of not more than five million dollars (\$5,000,000.00); or
- f. A service business, other than professional, which, for the three (3) fiscal years preceding the date of application for certification. Has average gross receipts of not more than five million dollars (\$5,000,000.00) or
- g. A professional services business which for the three (3) fiscal years preceding the date of application for certification has had average gross receipts or not more than three million dollars (\$3,000,000.00)

**Note:** A business which is an affiliate or subsidiary of any entity that is not eligible for certification as a small business shall not be certified as a small business.

\*As demonstrated by submission of the *Equalization Eligibility Form* and proof of certification by the City of Detroit Human Rights Department. These categories must be certified by the City of Detroit Human Rights Department at time of bid submission. If a vendor(s) is not certified at the time of bid submission then equalization credit shall not be applied. For information regarding Certification call 313.224.4950. Failure to submit proper documentation with bid response may result in equalization credit not being applied. Vendors are strongly encouraged to make application for certification for all applicable categories. The certification process is lengthy and involved. Applications are closely scrutinized to determine eligibility of firms. Applications are processed in order of receipt.

\*\*As demonstrated by submission of *Equalization Eligibility Form* and *Affidavit* included with your bid package. Failure to submit these forms with your bid will result in equalization credit not being applied to your bid response. These forms must be included with each and every bid where the vendor wishes to receive consideration for equalization credit.

\*\*\*As demonstrated by submission of *Equalization Eligibility Form* and a copy of the written agreement between the parties to the Joint Venture or Mentor Venture. The Joint or Mentor Venture agreement must be submitted with each and every bid response submitted for consideration of applicable eligibility credit. The agreement is subject to review and acceptance by the City of Detroit.

2. **Eligible Bidders.** An "X" below indicates the classification of bidders that the City has determined to be eligible to compete for this contract.

2.1 Competition for this Contract is open to all qualified bidders. ( )

2.2 Competition for this Contract is restricted per Ordinance No. 52-H to Detroit-Based Businesses. ( )

3. **Subcontractor Utilization Requirements.** The City has determined that \_\_\_\_\_ % of the total Contract amount shall be subcontract to MBE's who have obtained certification from the Contract Compliance Division (CCD) prior to bid due date. ( )

4. **Minority and Resident Hiring.** (Executive Order No. 22) The worker hours on this Contract shall be performed by no less than 50% bona fide City residents, no less than 25% minorities and at least 5% women. ( )

ALL INFORMATION PROVIDED IN RESPONSE TO THE INVITATION FOR BID IS SUBJECT TO VERIFICATION AND ACCEPTANCE BY THE CITY OF DETROIT. IF IT IS FOUND THAT INFORMATION SUBMITTED IS NOT VALID THE VENDOR MAY BE SUBJECT TO BEING PLACED IN DEFAULT AND/OR BID REJECTION AS DETERMINED BY THE CITY OF DETROIT PURCHASING DIRECTOR.